APPENDIX C:
ANNOTATED BIBLIOGRAPHY

The documents contained in this annotated bibliography chart the recent progress of the USAID/PVO[1] partnership and, in some cases, codify specific changes in USAID policy toward PVOs. Documents are grouped into four sections: background documents, recent assessments of the partnership, USAID policy and program documents, and promoting USAID culture change. Within each section, documents are presented chronologically (from earlier to most recent) so that the reader may track changes in the relationship between USAID and the PVO community.

BACKGROUND

Advisory Committee on Voluntary Foreign Aid. (1993). "**International Development and Private Voluntarism: A Maturing Partnership.**" U.S. Agency for International Development, Washington, D.C.

> This report, published by the Advisory Committee on Voluntary Foreign Aid (ACVFA) which served the USAID Administrator from February 1991 through June 1993, "examines the activities of U.S. PVOs in the context of America's international development assistance program." The report is "the result of efforts from five meetings over an 18-month period." Its goal is to provide assistance to J. Brian Atwood, USAID's new Administrator, in the reformulation of the U.S. foreign assistance program.

The report contains four primary conclusions:

– There is growing convergence between the objectives of the U.S. foreign assistance program and the "capacities and values" of PVOs;

– PVOs should play an expanded role in the U.S. foreign assistance program;

– U.S. foreign assistance should emphasize the development of a strong independent sector in recipient countries;

– A healthy foreign assistance program depends on a strong partnership between PVOs and the U.S. foreign assistance agency.

---

[1] The term Private Voluntary Organization (PVO) refers to U.S.-based charitable organizations that operate programs overseas in developing and/or transitional societies. The term Non-governmental Organization (NGO) refers to non-profit groups in developing countries. Often NGOs work in partnership with PVOs.

To assume the recommended larger role in U.S. foreign assistance, PVOs must:

– Develop additional analytical competence;

– Form strategic relationships with a variety of institutions;

– Be willing to shift institutional focus as warranted by changing developing realities.

To forge strong partnerships with PVOs, the U.S. foreign assistance program should:

– Establish a legislative basis for PVOs' involvement in foreign assistance;

– Establish a program to support PVO/NGO activities that strengthen the independent sector in emerging democracies;

– Make institutional changes that are responsive to PVOs' changing role in delivering foreign assistance.

Fox, L. (1995). "**U.S. PVO/NGO Support Programs.**" A Report in Creating Together a New Partnership: NGO Support Schemes Contributing to People's Self-Reliance (Tokyo, Japan). Japanese NGO Center for International Cooperation (JANIC), Tokyo.

Commissioned by InterAction as the U. S. PVO community's contribution to JANIC's international forum on governmental-nongovernmental development cooperation, this paper describes the policy and regulatory environment in which U.S. PVOs operate, trends in the PVO community, the state of the USAID/PVO relationship, and the manner in which foreign assistance funds are channeled through PVOs.

USAID's policy recognizes PVOs and indigenous NGOs as natural development partners. To receive funds from USAID, PVOs and NGOs must be registered with the Agency. The registration process is time consuming for PVOs, but, for most, is not prohibitive. The complexity of the process is most keenly felt among indigenous NGOs who often cannot meet the requirements.

Historically, the USAID-PVO relationship has experienced tension because of differing views over official development assistance policy and the role of PVOs in the delivery of assistance. The USAID-PVO relationship has improved in recent years due to four factors:

– As foreign assistance and USAID were threatened by budget cuts and public opinion, the Agency and PVO community found common ground for action;

– Differences between USAID and PVOs have decreased as PVOs have become more professional and USAID has instituted reform;

– ACVFA has facilitated discussion between the PVO community and USAID and has made recommendations for change within USAID (many of which the Agency has heeded);

– Both USAID and PVO community leaders have emphasized partnership.

The PVO-NGO relationship is also undergoing change and dominates discussion among PVOs. It is now "accepted" that PVOs should function primarily to support indigenous NGOs, assisting in the development of a strong voluntary sector. Some PVOs, however, have had a difficulty making this adjustment. Local partnering relationships may be mandated by USAID, resulting in only superficial North-South partnerships. Other organizations that attempt indigenization strategies—"nationalizing" field offices—may hire foreign national staff, but retain organizational and financial control at headquarters.

PVOs find centrally-funded programs to be generally more responsive to their needs than Mission-funded programs, in part because most Mission staff appear not to distinguish between assistance instruments and contracts, treating all procurement instruments as contracts. Consequently, they attempt to exert inappropriate control over recipients of grants and cooperative agreements.

Agency for International Development. (1996). **Voluntary Foreign Aid Programs**. U.S. Agency for International Development, Washington, D.C.

This annual document, sometimes called the "Volag" report, is produced by the Office of Private and Voluntary Cooperation (PVC)/Bureau of Humanitarian Response (BHR). It lists the private and voluntary organizations and cooperative development organizations registered with USAID as of October 1, 1995. It provides contact information, a brief program description and documents financial information of each organization, including: amount of USAID support, amount of private support, expenses and "privateness percentage."

At the date of publication, 434 PVOs are registered with USAID, compared with 419 the previous year. In response to PVOs' concerns about the registration process, PVC reduced the number of documents required for registration by two-thirds.

RECENT ASSESSMENTS OF THE USAID/PVO PARTNERSHIP

Joint Task Force. (1993). "**The U.S. Agency for International Development and the Private Voluntary Community: Policies for a More Effective Partnership.**" U.S. Agency for International Development, Washington, D.C.

Comprised of USAID and PVO staff, the Joint Task Force met through the summer of 1993 to review USAID's relationship with the PVO community. The Report made recommendations to improve the USAID-PVO relationship in six areas described below: policy framework for the USAID/PVO partnership, building institutional capacity, working with indigenous organizations, cost-sharing, streamlining procurement and reducing administrative requirements, and new funding relationships.

The comparative advantage of the PVO community is its independence. There are, however, shared values and goals among USAID and PVOs that establish the basis for development cooperation. USAID must effectively use the knowledge and expertise of the PVO/NGO community. As such, the Joint Task Force recommends that:

– Guidelines for establishing a dialogue with PVOs/NGOs should be issued by the Administrator;

– Principles that incorporate PVO/NGO consultation into the USAID planning process should be established;

– The Advisory Committee on Voluntary Foreign Assistance (ACVFA) should play a more important advisory and substantive role.

Building institutional capacity is central to the achievement of sustainable development:

– Support for capacity building should be given to both PVOs and indigenous NGOs;

– Support for capacity building should be granted for the entire range of institutional activities (i.e., information systems, staff development, strategic planning, project monitoring and evaluation);

– High priority should be given to support PVOs that are moving from a service delivery to a facilitative role;

– Capacity building funding should recognize flexibility and long-term objectives.

As USAID seeks to work with indigenous organizations:

– USAID should increase funding to support the formation of alliances between PVOs and NGOs;

– USAID Missions should develop strategies to directly fund indigenous NGOs;

– USAID should give increased weight to "factors that will ensure sustainable impact," including working through local organizations;

– USAID should develop benchmark criteria to evaluate NGO capacity.

USAID cost sharing requirements should be modified in the following ways:

– Institute decentralized decision making about cost sharing requirements;

– Issue a new Policy Determination on cost-sharing;

– Identify factors upon which cost sharing decisions should be based.

The current system of registration, procurement, and reporting is burdensome, complex, and time consuming for PVOs, creating a climate of "antagonism and mistrust" between USAID and PVOs. Therefore:

– The registration, negotiation, project implementation, and audit process should be overhauled to simplify and eliminate redundancies;

– USAID should review externally-imposed requirements to seek opportunities for simplification.

There are many opportunities for USAID to create new funding mechanisms, support innovative funding strategies, and improve existing programs, thus leveraging development resources. Therefore:

– USAID should "recognize the validity of working with and through" a PVO in close-out countries;

– USAID should test the efficacy of utilizing a PVO as an intermediary in a close-out scenario;

– USAID should provide guidance to Missions regarding the use of umbrella awards, rolling project design, and the project buy-in mechanism;

– The responsibility for evaluating alternative funding mechanisms should be housed within a central unit in the Agency.

General Accounting Office. (1995). "**Foreign Assistance: Private Voluntary Organizations' Contributions and Limitations**" (Report to the Ranking Minority Member, Committee on International Relations, House of Representatives). U.S. General Accounting Office, Washington, D.C.

A GAO report requested by the former Chair of the House Foreign Affairs Committee, the study examined several issues related to the channeling of foreign assistance funds through PVOs.

Key findings:
– PVOs excel at carrying out community-based development projects;
– Most PVOs are inexperienced at or choose not to engage in policy reform debate;
– Of the projects studied, most are achieving their objectives. The factors necessary for successful project implementation include: good design and clear objectives, experience in the country and sector, qualified management and staff, and local participation;
– PVOs are becoming less reliant on federal funds, a result of an increase in the number of PVOs receiving federal funds and a "relatively smaller increase in federal funding for PVOs."

Jordan, P. L. (1996). **Strengthening the Public-Private Partnership: An Assessment of USAID's Management of PVO and NGO Activities** (USAID Program and Operations Assessment Report No. 13). U.S. Agency for International Development, Washington, D.C.

The Center for Development Information and Evaluation (CDIE) assessed USAID's management of its relationships with PVOs and indigenous NGOs. Interviews were conducted with USAID, PVO, and NGO staff in Washington and eight countries in which USAID funds projects. The study's primary findings indicated that:
– USAID staff (primarily contracts and project officers) are inconsistent in their choice and administration of funding instruments;
– In centrally funded projects, the respective roles of Washington and Mission staff are not clear;
– The registration process for NGOs is onerous, often precluding successful completion of the process;
– Pre-award reviews are helpful in determining organizations' capacity to manage USAID funds;

– Award negotiations are more successful when the process is well coordinated—if multiple USAID staff are involved, one staff member should be the designated point of contact for PVOs and NGOs;

– During project implementation, PVOs and NGOs prefer to deal with one USAID contact person;

– Small, new NGOs are often overwhelmed by USAID administrative requirements;

– Reporting requirements (financial and otherwise) often seem excessive;

– NGOs see audits as a positive management tool;

– PVOs and NGOs would like USAID to include funding for evaluations in grants and cooperative agreements;

– PVOs and NGOs would like to be regularly consulted in the development of Agency strategy;

– Umbrella awards can be useful tools to establish partnerships with NGOs and reduce the USAID management burden.

In response to these findings, the study made the following recommendations:

– Address the inconsistent administration of funding instruments by providing training and reinforcing collaborative relationships with development partners;

– Make necessary policy changes, including reviewing NGO registration process and reviewing financial requirements for indigenous NGOs;

– Senior managers should establish a PVO/NGO consultation strategy, provide "longer-term funding for capacity building," and identify a single contact person for PVOs/NGOs;

– Project officers can encourage collaboration between mature and nascent PVOs/ NGOs, set up funding mechanisms for new organizations and support activities, fund capacity building activities, include evaluation funds in budgets, use umbrella awards more "strategically," and better educate PVOs/NGOs about USAID requirements.

Advisory Committee on Voluntary Foreign Aid. (May 29, 1997). "**ACVFA Recommenda-tions – Status Report.**" U.S. Agency for International Development, Washington, D.C.

> The status report, updated before each Advisory Committee on Voluntary Foreign Aid (ACVFA) quarterly meeting, documents the status of USAID's response to ACVFA's recommendations. The recommendations are grouped into the following categories: USAID/PVO partnership, women and sustainable development, civil society and NGOs, public outreach, multilateral donors and NGOs, USAID budget cuts and the New Partnerships Initiative.

USAID POLICY AND PROGRAM DOCUMENTS

Agency for International Development. (1995). "**USAID - U.S. PVO Partnership**" (Policy Guidance). U.S. Agency for International Development, Washington, D.C.

> This represents the first re-write of USAID policy guidelines regarding PVOs since 1982. The guidelines were written after consultation with a joint USAID-PVO work-ing group and were reviewed in draft by ACVFA. The relationship between USAID and its PVO partners is characterized by areas of agreement and independence. Recognizing both, the USAID - PVO partnership will incorporate the following principles:
>
> – Consultation—USAID will draw upon the knowledge and experience of PVOs at the policy and operational level;
>
> – Participation—USAID will seek PVO partners that have a commitment to and experience with implementing participatory strategies;
>
> – Program Integration/Managing for Results—Funds channeled through PVOs will reflect USAID's relief and development priorities;
>
> – Independence—A USAID/PVO partnership shall not compromise the indepen-dence of a PVO; in particular, a PVO should not have "undue dependence" on USAID as a funding source;
>
> – Support for the PVO-NGO Relationship—USAID will support the formation of partnerships between PVOs and NGOs; Capacity Building—USAID will assist in strengthening the institutional capacity of PVOs and PVOs' ability to assist NGOs;
>
> – Cost-Sharing—Cost-sharing will be applied in a "flexible and case-specific" man-ner, with a 25% PVO cost-share as the "suggested point of reference" for assis-tance instruments;

– Simplification—Requirements will be simplified, changes will be widely disseminated among USAID staff and the PVO community, modifications will be monitored.

Agency for International Development. (1995). "**Policy Principles for Award of Assistance Instruments to PVOs and NGOs for Development and Humanitarian Assistance.**" U.S. Agency for International Development, Washington, D.C.

This policy statement was developed by ACVFA in collaboration with the Office of Procurement and the Office of Private and Voluntary Cooperation. It reflects the belief that USAID's partnerships with PVOs and NGOs should be governed by a unique set of administrative procedures. Policies should be standardized and user-friendly; the system through which assistance instruments are administered will be "efficient, transparent, and open."

The following policies related to assistance instruments are established:
– Trust between USAID and PVOs/NGOs should characterize the application of assistance instruments;
– The procurement process should "support rather than impede" program implementation;
– Procurement and grant management should reflect a concern with meeting project goals;
– USAID is to provide "reasonable oversight" of grants and agreements, not micromanage projects;
– Cooperative agreements should be used only when substantial involvement by USAID staff furthers project objectives;
– "Substantial involvement" is not a strategy for USAID micromanagement of projects;
– Guidelines are needed to govern the use of competition in awarding assistance instruments;
– Reporting requirements should be standardized and narrowed to the minimum level.

Agency for International Development. (1995). "**Core Report of the New Partnerships Initiative**" (Draft). U.S. Agency for International Development, Washington, D.C.

The goal of the New Partnerships Initiative (NPI) is to "stimulate lasting economic, social and political development by building local institutional capacity." The initiative was developed through extensive discussion among USAID staff and initial consultation with external groups. NPI focuses on three sets of local institutions that can enhance development efforts: NGOs, small businesses, and local governments. These institutions are strengthened through capacity building and an enabling environment.

The NPI reflects the values expressed in the 1995 Policy Guidance on the USAID-PVO partnership. It seeks to improve the partnership between the Agency and PVOs in a way that will enhance dialogue and leverage the impact of development efforts.

One pillar of the NPI, NGO empowerment, is most salient to the interests of the ACVFA USAID/PVO Partnership Study. Among the Report's conclusions regarding NGO empowerment:

– Sustainable development depends on a vibrant civil society, of which NGOs are central players;

– NGOs require a legal environment that allows freedom of association, expression, and press; an economic climate that allows them to thrive; and a tax and regulatory environment that may grant special protection and/or exemptions.

To achieve the goal of NGO empowerment, USAID field offices and USAID/Washington will need to engage in specific activities. The Missions will:

– Regularly assess the local environment in which NGOs operate and assist communities in working toward needed reforms;

– Look for opportunities to support local NGOs, including institutional capacity development;

– Involve NGOs in the strategic and program planning process;

– Undertake training of local NGO leaders.

USAID/Washington will:

– Become a center of research on and analysis of the role of NGOs in development;

– Develop working models of partnerships between governments and NGOs;

– Work toward a set of simple, inexpensive, time-efficient international standards for NGO registration;

– Support and/or create non-traditional NGOs in the United States interested in forming partnerships with Southern NGOs;

– Expand donor coordination of activities supporting NGO empowerment;

– Review central grants portfolio to determine funding mechanisms for PVO support of NGO capacity building.

PROMOTING USAID CULTURE CHANGE

Agency for International Development. (1993). "**Participatory Development**" (General Notice from the Administrator). U.S. Agency for International Development, Washington, D.C.

The statement by the Administrator establishes principles of participation that reflect an Agency commitment to development through participation. In the publication of the Notice, Administrator Atwood stated that it should be widely disseminated among USAID Missions, contractors, PVOs, NGOs, and other development partners. The principles include:

– Listening to "ordinary people" as USAID discerns priorities;

– Country strategies and global objectives will incorporate the actions of indigenous peoples and organizations;

– Expert or technical analysis will include local experts and indigenous knowledge;

– USAID projects will be "accountable to the end user";

– USAID-supported projects will enhance the ability of the poor to fully engage in the development process;

– During project planning, USAID will use gender analysis and participatory research strategies;

– The project approval and modification process will be streamlined;

– Project monitoring will emphasize results;

– USAID's alliances with development partners will be a "respectful partnership";

– USAID will take the steps necessary to fully practice these principles.

Agency for International Development. (n.d.). "**Phase II - USAID's Customer Service Plan: Quality Service Standards for Working with USAID's Customers and Partners.**" U.S. Agency for International Development, Washington, D.C.

This document "presents standards for serving our [USAID's] ultimate customers in the countries we work in overseas." The standards were developed in response to the National Performance Review (NPR) which recommend reforms in the way government does business.

USAID's ultimate customers are the participants in the Agency's sustainable development projects. USAID's development partners are the "individuals or organizations that work closely with the agency to provide our products and services to our ultimate customers." Partners may also be customers when they are the direct recipients of USAID products and services while serving ultimate customers.

The standards for customers and partners emphasize:
– Quality—USAID will communicate with customers and partners to improve the quality of its services;
– Timeliness—USAID will improve the turnaround time for service;
– Access to information—USAID will offer greater access and transparency.

USAID has also improved several procedures related to its work with PVOs:
– The number of registration documents required for new registrants has been reduced from 18 to 6;
– The number of documents required for annual renewal of registration has been cut in half, from 6 to 3;
– The form used to compute a PVO's "privateness percentage" has been simplified.